GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:46
ANSWERED ON:19.11.2007
AGRICULTURAL SUBSIDY
Athawale Shri Ramdas

Will the Minister of AGRICULTURE be pleased to state:

(a) the amount of subsidy provided to the farmers in the country in comparison to the farmers of the United States and other developed countries during the last three years;

(b) whether the subsidy provided to the farmers in the country has decreased regularly;

(c) if so, the reasons therefor; and

(d) the steps taken/proposed to be taken to provide subsidy at par with the developed/ developing countries?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 46 DUE FOR REPLY ON 19TH NOVEMBER, 2007.

(a) to (d): The comparative amount of total domestic support (subsidy) provided by the United States, European communities, Japan and India for the latest available years 1999 to 2001 are given below.

Details of Comparative Domestic Support

Country	(US $ Million) 1999	2000	2001
United States	74,054.4	74,200.3	72,129.1
European Communities	88,340.3	87,817.6	75,083.75
	(marketing year 2000/01)		(marketing year 2001/02)
Japan	31,908.6	30,551.97	NA
India	8,221.98	8,288.28	9,048.13
(Year)	(1995-96)	(1996-97)	(1997-98)

(Source: Ministry of Commerce & Industry)
NA = Not Available.

India has so far notified its domestic support commitments to the World Trade Organization only upto the year 1997-98. These data show that India`s total domestic support has not decreased.

Developed countries can afford to provide high levels of support to their agriculture sector. For a developing country like India, it is not affordable to provide subsidy at par with developed countries. However, with a view to increase agricultural production, the Government has adopted a multi pronged strategy to ensure higher production and productivity. These initiatives include launching of National Horticulture Mission, Macro Management in Agriculture, Micro Irrigation, balanced use of fertilizers, Development of Marketing Infrastructure, etc. A comprehensive credit policy was announced on 18th June, 2004 for doubling of agriculture credit in three years. Farmers receive short-term credit (upto a principal amount of Rupees 3 lakh) at 7 percent rate of interest per annum. The two percent interest subvention scheme for short-term crop loans are in place from kharif 2006-07 onwards. Initiatives have also been taken by launching National Food Security Mission (NFSM) to increase production of rice, wheat and pulses and Rashtriya Krishi Vikas Yojana (RKVY) with an objective to incentivise the States to increase public investment in agriculure & allied sectors.